

deadline to RUS at the address specified in the applicable announcement. Instructions for submittal of applications electronically will be established in the grant announcement.

§ 1709.119 Review of applications.

(a) RUS will review each application package received to determine whether the applicant is eligible and whether the application is timely, complete, and responsive to the requirements set forth in the grant announcement.

(b) RUS may, at its discretion, contact the applicant to clarify or supplement information in the application needed to determine eligibility, identifying information, and grant requests to allow for informed review. Failure of the applicant to provide such information in response to a written request by the Agency within the time frame established by the Agency may result in rejection of the application.

(c) After consideration of the information submitted, the Assistant Administrator, Electric Program will determine whether an applicant or project is eligible and whether an application is timely, complete, and responsive to the grant announcement and shall notify the applicant in writing. The Assistant Administrator's decision on eligibility may be appealed to the Administrator.

§ 1709.120 Evaluation of applications.

(a) The Agency will establish one or more rating panels to review and rate the grant applications. The panels may include persons not employed by the Agency.

(b) All timely and complete applications that meet the eligibility requirements will be referred to the rating panel. The rating panel will evaluate and rate all referred applications according to the evaluation criteria and weights established in the grant announcement. Panel members may make recommendations for conditions on grant awards to promote successful performance of the grant or to assure compliance with other Federal requirements.

(c) After the rating panel has evaluated and scored all proposals, in accordance with the point allocation specified in the grant announcement,

the panel will prepare a list of all applications in rank order, together with funding level recommendations and recommendations for conditions, if any.

(d) The list of ranked projects and rating panel recommendations will be forwarded to the Administrator for review and selection.

§ 1709.121 Administrator's review and selection of grant awards.

(a) The final decision to make an award is at the discretion of the Administrator. The Administrator shall make any selections of finalists for grant awards after consideration of the applications, the rankings, comments, and recommendations of the rating panel, and other pertinent information.

(b) Based on consideration of the application materials, ranking panel ratings, comments, and recommendations, and other pertinent information, the Administrator may elect to award less than the full amount of grant requested by an applicant. Applicants will be notified of an offer of a reduced or partial award. If an applicant does not accept the Administrator's offer of a reduced or partial award, the Administrator may reject the application and offer an award to the next highest ranking project.

(c) The projects selected by the Administrator will be funded in rank order to the extent of available funds.

(d) In the event an insufficient number of eligible applications are received in response to a published grant announcement and selected for funding to exhaust the funds available, the Administrator reserves the discretion to reopen the application period and to accept additional applications for consideration under the terms of the grant announcement. A notice regarding the reopening of an application period will be published in the FEDERAL REGISTER.

§ 1709.122 Consideration of eligible grant applications under later grant announcements.

At the discretion of the Administrator, the grant announcement may provide that all eligible but unfunded proposals submitted under preceding competitive grant announcements may

also be considered for funding. This option is provided to reduce the burden on applicants and the Agency. The grant announcement shall indicate how applicants may request reconsideration of previously submitted, but unfunded, applications and how they may supplement their applications.

§ 1709.123 Evaluation criteria and weights.

(a) *Establishing evaluation criteria and weights.* The grant announcement will establish the evaluation criteria and weights to be used in ranking the grant proposals submitted. Unless supplemented in the grant announcement, the criteria listed in this section will be used to evaluate proposals submitted under this program. Additional criteria may be included in the grant announcement. In establishing evaluation criteria and weights, the total points that may be awarded for project design and technical merit criteria shall not be less than 65 percent of the total available points, and the total points awarded for priority criteria shall not be more than 35 percent of the total available points. The distribution of points to be awarded per criterion will be identified in the grant announcement.

(b) *Project design and technical merit.* In reviewing the grant proposal's project design and technical merit, reviewers will consider the soundness of the applicant's approach, the project's technical and financial feasibility, the adequacy of financial and other resources, the capabilities and experience of the applicant and its project management team, the project goals, and identified community needs and benefits. Points will be awarded under the following project elements:

(1) *Comprehensiveness and feasibility.* Reviewers will assess the technical and economic feasibility of the project and how well its goals and objectives address the challenges of the eligible communities. The panel will review the proposed design, construction, equipment and materials for the proposed energy facilities to determine technical feasibility. Reviewers may propose additional conditions on the grant award to assure that the project is technically sound. Budgets will be re-

viewed for completeness and the strength of non-Federal funding commitments. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Reviewers will consider the adequacy of the applicant's budget and resources to carry out the project as proposed. Reviewers will also evaluate how the applicant proposes to manage available resources such as grant funds, income generated from the facilities and any other financing sources to maintain and operate a financially viable project once the grant period has ended. Reviewers must make a finding of operational sustainability for any points to be awarded. Projects for which future grant funding is likely to be required in order to assure ongoing operations will not receive any points.

(2) *Demonstrated experience.* Reviewers will consider whether the applicant or its project team have demonstrated experience in successfully administering and carrying out projects that are comparable to that proposed in the application. The reviewers may assign a higher point score to proposals that develop the internal capacity to provide or improve energy services in the eligible communities over other proposals that rely extensively on temporary outside contractors.

(3) *Community needs.* Reviewers will consider the applicant's assessment of community energy needs to be addressed by the proposed project as well as the severity of physical and economic challenges affecting the target communities. In determining whether one proposal should receive more points than another under this criterion, reviewers will consider the relative burdens placed on the communities and individual households by extremely high energy costs, the hardships created by limited access to reliable and affordable energy services and the availability of other resources to support or supplement the proposed grant funding.

(4) *Project evaluation and performance measures.* Reviewers will consider the applicant's suggested project evaluation and performance criteria. Reviewers may award higher points to criteria that are quantifiable, directly relevant